

A bill for an act

relating to local government; modifying the definition of dependent for purposes of group benefits for local government officers and employees; amending Minnesota Statutes 2008, section 471.61, subdivisions 1a, 2a; Minnesota Statutes 2009 Supplement, section 471.61, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2009 Supplement, section 471.61, subdivision 1, is amended to read:

Subdivision 1. **Officers, employees.** A county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department of the state, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes of officers, employees, or dependents, under a policy or policies or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits and hospitalization insurance or benefits for both employees and dependents or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of those forms of insurance or protection. A governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on the insurance or protection. A payment is deemed to be additional compensation paid to the officers or employees, but for purposes of determining contributions or benefits under a public pension or retirement system it is not deemed to be additional compensation. One or more governmental units may determine that a person is an officer or employee if the person receives income from the governmental

subdivisions without regard to the manner of election or appointment, including but not limited to employees of county historical societies that receive funding from the county and employees of the Minnesota Inter-county Association. The appropriate officer of the governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of premiums or charges and remit the share or portion to the insurer or company issuing the policy or contract.

A governmental unit, other than a school district, that pays all or part of the premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary money for the payment of the premiums or charges, and the sums levied and appropriated are not, in the event the sum exceeds the maximum sum allowed by the charter of a municipal corporation, considered part of the cost of government of the governmental unit as defined in any levy or expenditure limitation; provided at least 50 percent of the cost of benefits on dependents must be contributed by the employee or be paid by levies within existing charter tax limitations.

The word "dependents" as used in this subdivision means spouse and ~~minor~~ unmarried children under the age of ~~18~~ 25 years ~~actually dependent upon the employee,~~ and others, as defined by governmental units at their discretion.

Notwithstanding any other law to the contrary, a political subdivision described in this subdivision may provide health benefits to its employees, dependents, any class or classes of officers, employers, or dependents, and other eligible persons through negotiated contributions to self-funded multiemployer health and welfare funds.

Sec. 2. Minnesota Statutes 2008, section 471.61, subdivision 1a, is amended to read:

Subd. 1a. **Dependents.** Notwithstanding the provisions of Minnesota Statutes 1969, section 471.61, as amended by Laws 1971, chapter 451, section 1, the word "dependents" as used therein shall mean spouse and ~~minor~~ unmarried children under the age of ~~18~~ 25 years ~~and dependent students under the age of 25 years actually dependent upon the employee,~~ and others, as defined by governmental units at their discretion.

Sec. 3. Minnesota Statutes 2008, section 471.61, subdivision 2a, is amended to read:

Subd. 2a. **Retired officers, employees.** Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, including the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their

governing bodies, may insure or protect its or their retired officers and retired employees entitled to benefits under any public employees retirement act and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, medical and surgical benefits, or hospitalization insurance or benefits, for retired officers and retired employees and their dependents, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees, may pay all or any part of the premiums or charges on such insurance or protection or may require the retired officer or employee to pay all or part of the premiums or charges. Any one or more of such governmental units may determine that a person is a retired officer or a retired employee if such officer or employee, when employed, received income from such governmental subdivisions without regard to the manner of election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract. An insurer, health maintenance organization, or company issuing the policy or contract may not require a public employer to contribute any portion of the retired officer's or employee's share as a condition of eligibility for the insurance or protection. An insurer, health maintenance organization, or company issuing the policy or contract may require a retired officer or a retired employee to pay all or any part of the premiums or charges.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax or expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing charter tax limitations.

The word "dependents" as used herein shall mean spouse and ~~minor~~ unmarried children under the age of ~~18~~ 25 years ~~actually dependent upon the retired officer or retired employee,~~ and others as defined by governmental units at their discretion.

Sec. 4. EFFECTIVE DATE.

4.1 Section 1 to 3 are effective the day following final enactment.